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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER	
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ART UNIT	**PAPER NUMBER**
3623	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/660,012	RICKETTS, JOHN ARTHUR	
	Examiner	Art Unit	
	SCOTT L. JARRETT	3623	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *08 July 2008*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-10* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-10* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1. This Non-Final office Action is in response to Applicant's amendment filed July 8, 2008. Applicant's amendment amended claims 1-7 and canceled claims 11-24. Currently Claims 1-10 are pending. This office action has been made Non-Final in order to enter a new grounds of rejection under 35 U.S.C. 101.

The office apologizes for Applicant's unsuccessful attempts to contact the office, particularly Mr. George Park, regarding the instant application. The previous examiner is no longer assigned to the application. The examiner attempted to call Mr. Stephen Wilder on August 19, 2008 prior to the completion of this office action however Mr. Walder was not available and a voice mail was left.

Response to Amendment

2. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action.

Response to Arguments

3. Applicant's arguments with respect to claims 1-10 have been considered but are moot in view of the new ground(s) of rejection.

Terminal Disclaimer

4. The terminal disclaimer filed on February 4, 2008 disclaiming the terminal portion of any patent granted on this application has been recorded.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-10 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least Gottschalk v. Benson, 409 U.S. 63, 71 (1972)).

A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1-10 fail to meet the above requirements because they are not tied to another statutory class of invention.

Nominal recitations of structure in an otherwise ineligible method fail to make the method a statutory process. See Benson, 409 U.S. at 71-72. As Comiskey recognized, "the mere use of the machine to collect data necessary for application of the mental process may not make the claim patentable subject matter." Comiskey, 499 F.3d at 1380 (citing In re Grams, 888 F.2d 835, 839-40 (Fed. Cir.1989)). Incidental physical limitations, such as data gathering, field of use limitations, and post-solution activity are not enough to convert an abstract idea into a statutory process. In other words, nominal or token recitations of structure in a method claim do not convert an otherwise ineligible claim into an eligible one.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

8. Claims 1-4 and 7-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Remenyi et al., Outcomes and Benefits Modeling for Information Systems Investment (2001) in view of Ngwenyama et al., Making the information systems outsourcing decision: A transaction cost approach to analyzing outsourcing decision problems (1999).

Regarding Claims 1 and 8 Remenyi et al. teach a system and method of simulation (modeling) comprising (Section 10.7, Page 121; Tables 2, 6; Figure 7):

- receiving for at least one (business transformation outsourcing) transformation service spending, process and information technology inputs (Last Paragraph, Page 106; Section 10.1, Page 115; Tables 2-6);

- based on the inputs, performing a spending (cost, expenditures), process and information technology simulation(s) (model, estimation, calculation, etc.; Sections 6.2-6.3, Pages 109-110; Section 10.1, Page 115);

- computing net benefit (savings, cost reduction, profit, etc.) values based on the simulations (Tables 2-6; Paragraph 4, Page 112; Section 10.2, Page 115);

- performing a value simulation based on the net benefit (savings, productivity, cost reductions, cost avoidance, productivity, etc.) values (Section 104, Page 117;

- outputting at least one measure of economic value for the service wherein (Tables 2-6; Figure 7):

- the simulation(s) have a plurality of time periods (e.g. annual benefit, monthly; Tables 2, 3, 5);

- the process simulation, based on the inputs, computes a number of transactions (orders, requests, services, sales, calls, etc.; Table 5 – sales, sales calls;) and a process cost during each period based on a status of the particular period either under current, transitional or outsourcing conditions (Tables 2-6);

- the information technology simulation, based on the inputs, simulates the tasks (activities, action, effort, etc.) needed to design, build, implement, operate and maintain a new information technology to implement the service (Paragraph 1, Page 106) and computes a (transformation) cost for each period based on a status of the particular period either under current, transitional or outsourcing conditions (Tables 2-6; Section 107, Page 121);

- identifying the net benefit values (cost savings, cost avoidance, profit, return on investment, etc.) representing a transition (change, move, etc.) from a current conditions to the service conditions by combining the spending simulation, savings and information technology costs (Tables 2-5; Paragraphs 2-3, Page 112; Paragraphs 1-4, Page 127);

- simulating effects (impact, benefit, outcome, etc.) of transitioning from current conditions to service conditions on a financial position of a business based on net benefit and business financial input information (Section 5, Page 107; Paragraphs 2-3, Page 112; Paragraphs 2-5, Page 117; Section 1.05, Pages 118-119); and

- calculating the at least one measure of economic value (net benefit, annual benefit, ROI, payback, etc.) for the service based on the effects of transitioning from current to the service conditions on the financial position of the business (Numbers 1-5, Page 109; Paragraph 1, Page 111; Paragraphs 2-3, Page 112; Tables 2-4; Figure 7).

Remenyi et al. further teach that the simulation method/system comprises providing interactions among the simulations (macro-micro models; Section 6, Pages 108-111) and the use of at least one business transformation service by a client organization (Abstract; Last Paragraph, Page 105).

While the outsourcing of business processes (business process outsourcing, business transformation outsourcing) is a common and well known business practice Remenyi et al. does not expressly limit the simulation method/system to only simulating outsourcing business services (processes) as claimed.

Ngwenyama et al., teaches simulating (modeling) the costs, benefits and value (economic, effect on a financial position of a business) of outsourcing business services (processes, business transformation services; Last Paragraph, Page 354; Paragraph 1, Page 360; Paragraph 1, Page 366) in an analogous art of business simulation (Abstract;

Last Paragraph, Page 352) for the purpose of assisting business is making the decision of whether to outsource business services and under what conditions (i.e. costs/benefits) does it make business sense to outsource business services (Abstract; Paragraph 1, Page 366).

It would have been obvious to one skilled in the art at the time of the invention that the simulation system and method as taught by Remenyi et al. with its ability to simulate a plurality of types of business transformation services would have been applied to any of a plurality of well known business transformation services/approaches including but not limited to the outsourcing business services in view of the teachings of Ngwenyama et al.; the resultant system/method assisting businesses in making business transformation outsourcing services decisions (Ngwentyama et al.: Abstract; Paragraph 1, Page 366).

While Remenyi et al. teaching that the simulation includes determining cost savings (reductions in cost, cost avoidance, cost displacement), net benefit, which includes savings, return on investment and other well known financial cost/benefit measures (Tables 2-3; Section 10.2, Pages 115-116; Paragraph 3, Page 106) for use in simulating the costs/benefits of business transformation services (e.g. information technology investments) neither Remenyi et al. nor Ngwenyama et al. expressly teach determining 'net savings' as claimed.

Official notice is taken, as noted in the previous office action, that it is common knowledge (i.e. old and well known) to calculate a 'net savings' (net cost avoidance, net cost reduction, etc.) when generating a business case for a business initiative (software, program, effort, product, etc.; e.g. justifying IT expenditures/investments) wherein the amount of savings generated by implementing the business initiative gives decision makers a well understood and known criteria for comparing and/or selecting one or more business initiatives based on the value (savings) expected from implementing the proposed business service/initiative.

It would have been obvious to one skilled in the art at the time of the invention that the system and method as taught by the combination of Remenyi et al. and Ngwenyama et al., with its ability to calculate the net benefit (which includes savings) and a plurality of well known and/or commonly used cost/benefit measures would have benefited from computing a 'net savings' in view of the teachings of official notice as the combination would have yielded predictable results and resulted in an improved system. It would have been recognized that determining and utilizing net savings as measure of value/benefit of a business process outsourcing service would have yielded predictable results (i.e. the evaluation of business process based on its net benefit/savings to the organization).

Regarding Claims 2 and 3 while Remenyi et al. teach a simulation system and method that simulates different modes of use (cost savings, cost avoidance, increased

sales, etc. as discussed above) however Remenyi et al. does not expressly teach performing the simulations in different modes for different end users wherein the modes include at least one of the following (selected from the group consisting of): research and development, internal use or external use as claimed.

Official Notice is taken that enabling users to perform various types of simulations (modes of use) for various different end users is old and well known. For example, a person in sales may wish to understand the impact of transforming a business process on sales (number of sales, cost of sales, etc.) or even to perform a simulation as part of a sales pitch (e.g. demonstrating the value the transformed business process) while the accounting department might want to simulate the effect of the transformation business process on accounts payables.

Further it is noted that the enabling different users to use software in different modes, for example based on the users role in the organization (e.g. role-based access control) is an old and well known mechanism for providing different operation modes for different users.

It would have been obvious to one skilled in the art at the time of the invention that the simulation system and method as taught by the combination of Remenyi et al. and Ngwenyama et al. would have benefited from providing different simulation modes for different users wherein the combination produces a predictable result of enabling end users to use the simulation mode that best suites their needs.

It is noted that the simulation 'mode' merely represents non-functional descriptive material and are not functionally involved in the steps recited nor do they alter the recited structural elements. The recited method steps would be performed the same regardless of the specific simulation 'mode' chosen. Further, the structural elements remain the same regardless of the specific simulation 'mode' chosen. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.*Tables 4-5).

Regarding Claim 4 Remenyi et al. teach a system and method wherein the at least one service (process, business transformation, etc.) further comprises one or more or any combination of the following: sourcing, procurement, payables, human resources, customer relationship management, shipping, finance, accounting, insurance claims processing *or* banking back office services (Last Paragraph, Page 112; Paragraph 2, Page 116; Last Paragraph, Page 117).

It is noted that the type and/or intended use of the process merely represents non-functional descriptive material and are not functionally involved in the steps recited nor do they alter the recited structural elements. The recited method steps would be performed the same regardless of the specific process and/or intended use of that process simulated. Further, the structural elements remain the same regardless of the

specific process and/or intended use of that process simulated. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.*Tables 4-5).

Regarding Claims 7 and 10 Remenyi et al. teach a system and method further comprising outputting cost and benefit quantities for a plurality of years (e.g. payback over several years; Paragraph 2, page 116; Paragraph 1, Page 122).

It is noted that the length of time the cost and benefit quantities are determined merely represents non-functional descriptive material and are not functionally involved in the steps recited nor do they alter the recited structural elements. The recited method steps would be performed the same regardless of the specific time frame for outputting the cost and benefit quantities. Further, the structural elements remain the same regardless of the specific time frame for outputting the cost and benefit quantities. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.*Tables 4-5).

Regarding Claim 9 Remenyi et al. teach a system and method further comprising receiving one or more service inputs including spending, process, information technology or value inputs (Tables 2-6; Last Three Paragraphs, Page 120; Figures 7-8).

9. Claims 5-6 are rejected under 35 U.S.C. 103(a) as being unpatentable over Remenyi et al., Outcomes and Benefits Modeling for Information Systems Investment (2001) in view of Ngwenyama et al., Making the information systems outsourcing decision: A transaction cost approach to analyzing outsourcing decision problems (1999) as applied to claims 1-4 and 7-10 above, and further in view of Techopitayakul et al., ASP-based Software Delivery: a Real Options Analysis (2001).

Regarding Claim 5 Remenyi et al. does not expressly teach mapping various forms of the benefits simulation to various *forms* of the business transformation outsourcing service nor representing various forms of the business transformation outsourcing services utilizing various forms of the benefits simulation as claimed.

Techopitayakul et al. teach mapping various forms of the benefits simulation to various *forms* of the business transformation outsourcing service and representing various forms of the business transformation outsourcing services utilizing various forms of the benefits simulation (real option analysis - usage based pricing, bring software in house, extend ASP contract, etc.; Options 1-4, Section 4) in an analogous art of outsourcing business services (processes) for the purpose of simulating the value of various forms (e.g. approaches to outsourcing the business process/services) and determining which form of the business service to utilize (Abstract; Last Paragraph, Page 50).

It would have been obvious to one skilled in the art at the time of the invention that the simulation system and method as taught by the combination of Remenyi et al. and Ngwenyama et al. would have benefited from mapping various forms of the benefits simulation to various forms of the business transformation outsourcing service and representing various forms of the business transformation outsourcing services utilizing various forms of the benefits simulation in view of the teachings of Techopitayakul et al.; the resultant system/method enabling businesses to simulated and evaluate the various forms for an outsourced business service (process).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Barnard et al., U.S. Patent No. 6,684,191, teach a system and method for simulating (evaluation, assessing) a business transformation service (outsourcing procurement and accounts payable business processes) including determining the value of the outsource process (e.g. cost savings) and the tasks associated with designing, building and implementing the outsourced services.

- Vellante et al., U.S. Patent Publication No. 2002/0069102, teach a system and method for simulating the value of information technology system investments including determined the net business value of the process/service (cost reduction, ROI, etc.) and the impact (effect) of the business transformation wherein the inputs include costs, spending, a number of transactions and the like.

- Seagraves, U.S. Patent Publication No. 2003/0177060, teach a system and method for simulating the business benefit/financial impact of transforming business processes.

- Steele et al., U.S. Patent Publication No. 2003/0212643, teach a system and method for simulating (modeling) the value (e.g. savings, ROI, etc.) of outsourcing of business processes.

- Reid, U.S. Patent Publication No. 2004/0210463, teach a system and method for simulation for at least one business process services (information technology investment) including research and development 'modes.'

- Middleton, U.S. Patent Publication No. 2005/0065841, teach a system and method for simulation comprising receiving a plurality of inputs for at least one business transformation service including spending/costs, process and information technology inputs; computing values based on a simulation (savings, net present value, etc.) and recommending a business transformation service (IT investment) based on the simulated value/savings.

- Techopitayakul et al., ASP-based Software Delivery (2001), teach a system and method for simulating the value (net savings) of an outsourced business process service wherein the simulation inputs include spending, costs, process and information technology inputs including a number of transactions during each period of simulation and a process cost.

- Remeny et al., The Effective Measurement and Management of IT Costs and Benefits (2000), teaches a plurality of methods for simulation the value/benefit of business services.

- Linder et al., Business transformation through outsourcing (2002), teach the old and well known use of business transformation outsourcing services wherein businesses “clearly articulate the cost savings and service levels you want, and write a contract that spells out the pay-off the outsourcer gets for making it work." (Column 2, Paragraph 4, Page 27).

- Toscano et al., Business Transformation Outsourcing (2003) teaches the well known commercial availability of BTO services from BTO service providers such as IBM wherein the well known benefits of BTO include cost savings, potential for

standardization of processes, improved cash-flow and the like and that the costs of such services is depending on inputs such as the number of customers/customer transactions a business process needs to support.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SCOTT L. JARRETT whose telephone number is (571)272-7033. The examiner can normally be reached on Monday-Friday, 8:00AM - 5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Van Doren Beth can be reached on (571) 272-6737. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Scott L Jarrett/

Primary Examiner, Art Unit 3623
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